



## Country Reports on Terrorism

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### Chapter 2 -- Country Reports: Western Hemisphere

#### Argentina

Argentina cooperated well with the United States at the operational level, and addressed many of the legal and institutional weaknesses that previously hindered its counterterrorism efforts. In 2006 and 2007, the National Coordination Unit in the Ministry of Justice and Human Rights became fully functional, managing the government's anti-money laundering and counterterrorism finance efforts and representing Argentina to the Financial Action Task Force (FATF) and the Financial Action Task Force of South America (GAFISUD). The Attorney General's special investigative unit set up to handle money laundering and terrorism finance cases began operations this year. The Central Bank's specialized anti-money laundering and counterterrorism finance examination program was awaiting final authorization and was not operational at year's end. The Argentine government and Central Bank remained committed to freezing assets of terrorist groups identified by the United Nations if they were detected in Argentine financial institutions.

A noteworthy event was the Argentine Congress' passage in June of legislation penalizing the financing of terrorism ("Illegal Terrorist Associations and Terrorism Financing"), which brought Argentina into greater compliance with FATF standards. The law, which entered into effect in mid-July, amended the Penal Code (Law No. 25.246 "Cover-Up and Laundering of Assets Act") to criminalize acts of terror, terrorism financing, and money laundering for the purpose of financing terrorism. The new law provided a legal foundation for the financial intelligence unit (FIU), Central Bank, and other regulatory and law enforcement bodies to investigate and prosecute such crimes. Argentina joined Chile, Colombia, and Uruguay as the only countries in South America to have laws against financing terrorism. On September 11, the Argentine President signed into force the National Anti-Money Laundering and Counterterrorism Finance Agenda. The Agenda will serve as a road map to implement the existing money laundering and terrorism finance laws and regulations. The Agenda's 20 objectives focus on closing legal/regulatory loopholes and improving interagency cooperation. The next challenge is for Argentine law enforcement and regulatory institutions, including the Central Bank and FIU, to implement the National Agenda and aggressively enforce the newly strengthened and expanded legal, regulatory, and administrative measures available to them to combat financial crimes.

On November 9, 2006, an Argentine judge issued arrest warrants for eight current and former Iranian government officials and one member of Hizballah, that were indicted in the July 18, 1994 terrorist bombing of the Argentine-Jewish Mutual Association (AMIA) that killed 85 and injured over 150 people. On March 13, 2007, the INTERPOL Executive Committee decided unanimously to issue international "wanted" notices ("Red Notices") for five of the Iranians (including the former

Minister of Intelligence and Security, Ali Fallahijan, and the commanders of the Islamic Revolutionary Guard Corps and the Qods force) and the one Lebanese national (Imad Mugniyah, recently deceased). The Government of Iran appealed the Executive Committee's decision and requested that the INTERPOL General Assembly decide the matter. On November 7, the INTERPOL General Assembly voted (78 for, 14 against, 26 abstentions) to uphold the Executive Committee's March 13 decision and the Red Notices were issued.

## **Tri-Border Area**

(Argentina, Brazil, and Paraguay)

The Governments of the Tri-Border Area (TBA), Argentina, Brazil, and Paraguay, have long been concerned with arms and drugs smuggling, document fraud, money laundering, and the manufacture and movement of contraband goods through this region. In the early 1990s, they established a mechanism to address these illicit activities. In 2002, at their invitation, the United States joined them in what became the "3+1 Group on Tri-Border Area Security" to improve the capabilities of the three to address cross-border crime and thwart money laundering and potential terrorist financing activities. The United States remained concerned that Hizballah and HAMAS sympathizers were raising funds in the TBA by participating in illicit activities and soliciting donations from sympathizers within the sizable Muslim communities in the region. There was no corroborated information, however, that these or other Islamic extremist groups had an operational presence in the TBA.

Read the full report at: <http://www.state.gov/s/ct/rls/crt/2007/>